

The Customs Code of Ukraine

**Date of Entry into Force:
January 1, 2004**

The Customs Code of Ukraine (hereinafter – the Code) defines the foundation and implementation principles of customs practice in Ukraine, and regulates economic, organizational, legal, personnel and social aspects of the activities of the customs service of Ukraine. The Code aims to secure the protection of Ukraine's economic interests, to create favorable conditions for the development of its economy, to protect the rights and interests of subjects of entrepreneurial activity and citizens, as well as to ensure adherence to Ukrainian customs-related legislation.

Article one of the Code defines the basic terms and concepts, such as:

- foreign currency;
- free circulation;
- declarant;
- zone of customs control;
- customs declaration;
- customs control;
- carrier;
- residents;
- vehicles;
- goods.

Section I "General Provisions" of the Code outlines foundations of customs practice, principles of customs regulation, structure and organization of activities of the Customs Service of Ukraine, procedure for giving information and consultations on customs matters, issues of international cooperation in this area.

Section II "Customs Control" of the Code highlights procedures of organization and conduct of customs control. Section III of the Code outlines the procedure of the customs clearance, declaration rules and procedures. Sections IV and V are dedicated to the rules and procedure for movement of goods and vehicles through the customs border of Ukraine, procedures governing movement of goods through the customs border of Ukraine with different means of transport.

Section VI "Disposal of Goods, Which are under Customs Control" defines the rules governing movement of goods and vehicles between customs authorities, transit shipments, storage of goods and vehicles at customs warehouses, disposal of goods, vehicles and funds.

Section VII regulates business activities associated with rendering services in declaring goods and vehicles and transportation of goods being moved across the customs border of Ukraine and under customs control.

Section VIII determines the customs regime for goods and vehicles, which are moving through the customs border of Ukraine pursuant to the Code the following types of customs regime shall apply in accordance with the purpose of the movement of goods through the customs border of Ukraine:

- 1) import;
- 2) re-import;
- 3) export;
- 4) re-export;
- 5) transit;
- 6) temporary entry (exit);
- 7) customs warehouse;
- 8) special customs zone;
- 9) duty free shop;
- 10) processing within the customs territory of Ukraine;
- 11) processing outside the customs territory of Ukraine;
- 12) extermination or destruction;
- 13) refusal for the benefit of the State.

Customs regime not included into the present list can be established only through introduction of respective amendments to the present Code.

Section IX highlights specific features of the passage and taxation of goods moved through the customs border of Ukraine by the citizens.

Section X stipulates the rules of control over movement through the customs border of Ukraine of goods containing intellectual property objects.

Section XI defines the concepts of the goods customs value and outlines goods customs value determination methods. The customs value of goods imported into Ukraine shall be determined using the following methods:

- based on the price of agreement covering the goods being imported;

- based on the price of agreement covering identical goods;
- based on the price of agreement covering similar (analogous) goods;
- based on value deduction;
- based on value addition;
- reserve method.

The method based on the price of agreement covering the goods being imported is the principal method for the goods customs value determination. To the extent that the principal method may not be applied, each of the following methods in sequence as listed in the Article 266 shall be applied. In so doing, the determining party shall apply each subsequent method inasmuch as the customs value of goods may not be determined through applying the preceding method. The value deduction and addition methods may be used in optional sequence at the Declarant's sole discretion.

Sections XVII-XIX of the Code are dedicated to the issues of preventing smuggling and violations of customs rules, responsibility for such actions and court proceedings in cases of violation of customs rules.

Section XX determines the legal status of employees of customs authorities, specialized customs institutions and organizations, their rights and duties.